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GOVERNOR

BROOKE E. BARNES
ACTING COMMISSIONER

February 11, 2003

Senator John Martin, Senate Chair
Representative Theodore Koffman, House Chair
Joint Standing Committee on Natural Resources
State House, Room 437
Augusta, ME 04333-003

Re: Report to the Legislature on the wetlands compensation program under the Natural Resources Protection Act

Dear Senator Martin, Representative Koffman and Members of the Natural Resources Committee:

The Natural Resources Protection Act (NRPA), Section 480-Z(5), requires that the Department submit a report to your committee annually describing the amount of licensed freshwater and coastal wetland impacts and compensation. The information in the attached report pertains to approved projects in the calendar year 2002.

The creation of a compensation fee program has been of particular interest to the Legislature and Section 480-Z of the Natural Resources Protection Act required the department to develop an in-lieu fee program by October of 2002. You may recall that in last year's report, we detailed the efforts made by staff of both the Department and the State Planning Office to explore the feasibility of creating an in-lieu fee program in consultation with a steering committee including federal agencies, business and environmental interests. You may also recall that after a full analysis, it appeared that the implementation of a state-wide in-lieu fee program, which would apply to wetland alterations between 20,000 square feet and one acre, is not feasible at this time. The department recommended instead to assist local and regional efforts to establish compensation fee programs. By taking an active role assisting in the development of such local or regional programs, it is anticipated that compensation required for state-level permitting could be performed under the local or regional program.

Suggested amendments of Section 480-Z "Compensation" of the NRPA that would further the recommendations stated above have been developed for your consideration. These amendments, which are being submitted for the Legislature's approval as part of the Department omnibus bill, have been attached to this report. In part, the proposed amendments retain an option for the State to create a compensation fee program in the future, should it be warranted, and repeal the sunset provision of the "Compensation" section.

My staff look forward to answering any questions you have about this report and the regulatory program.

Sincerely,

Brooke E. Barnes
Acting Commissioner